



DATE: February 25, 2020

RE: Governor's Bill HB 5007

TO: The Honorable Senator Hartley, the Honorable Representative Simmons, Ranking Members Martin, Cummings and Members of the Committee on Commerce.

FR: Bruce Adams - President & CEO - 860-593-3113

Thank you very much for this opportunity to testify in support of H.B. 5007 on behalf of Connecticut's 92 state and federally chartered credit unions.

Credit unions are unique. They are not-for-profit financial cooperatives that are owned and controlled by their members. Their boards of directors serve in a volunteer capacity and receive no compensation. Credit unions return their profits to their member-customers with better interest rates on deposits and loans and they provide only the products and services that the membership wants. More importantly, credit unions invest in and serve their communities with substantial financial and personal resources.

H.B. 5007 will improve and expand Connecticut's small express program to bring private lenders into cooperation with the state in support of small businesses. We especially support section 2 of this bill because it broadens the base of private lender partners to include credit unions along with banks (see, Sec. 2 allowing for a "participation agreement" with a "financial institution or 3rd party financial institution approved by the Fund").

H.B. 5007 allows community financial institutions, such as our League member Nutmeg State Financial Credit Union, to make loans to borrowers with greater financial challenges than the credit union might otherwise be able to accommodate. This lending flexibility helps more businesses get off the ground, expand, or reach access to much needed capital.

Credit unions have proven themselves time and time again to be a valuable partner in public-private relationships. For example, Nutmeg stepped up to partner with DMV to provide DMV Express locations throughout the state when the AAA partnership broke down. Credit unions, by design, work to support their communities and the small businesses within them. We stand ready to avail ourselves of this important program which will leverage our public mission to a greater public benefit.

Section 1: We respectfully request a technical amendment to Section 1 to include credit unions in addition to banks. Connecticut has a statutory precedent of providing credit unions and banks equal access to governmental programs and services.

Thank you for this opportunity to testify and I am happy to respond to any questions.